

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF BIG RIVERS)	
ELECTRIC CORPORATION FOR:)	
(I) APPROVAL OF WHOLESALE TARIFF)	
ADDITIONS FOR BIG RIVERS ELECTRIC)	
CORPORATION, (II) APPROVAL OF)	
TRANSACTIONS, (III) APPROVAL TO ISSUE)	CASE NO. 2007-00455
EVIDENCES OF INDEBTEDNESS, AND)	
(IV) APPROVAL OF AMENDMENTS TO)	
CONTRACTS; AND OF E.ON U.S., LLC,)	
WESTERN KENTUCKY ENERGY CORP.,)	
AND LG&E ENERGY MARKETING, INC.)	
FOR APPROVAL OF TRANSACTIONS)	

O R D E R

The record in this case reflects that a telephone conference was held on June 25, 2008 and that all parties agreed to postpone the public hearing which had been scheduled for July 1, 2008. The reason for the postponement was to allow the Joint Applicants additional time to determine an appropriate course of action to respond to the financial downgrade of Ambac Assurance Corporation ("Ambac"), the entity providing credit support to an existing leveraged lease transaction of Big Rivers Electric Corporation. Almost 2 months have passed since that conference and none of the Joint Applicants has filed any information with the Commission on the status of either the Ambac issue or the consent of the City of Henderson Utility Commission d/b/a Henderson Municipal Power & Light ("Henderson") to proceed with the transactions proposed in this case.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Joint Applicants should file, individually or jointly, a report which addresses both the Ambac issue and the consent of Henderson with the proposed transactions. For each of these issues, the report should separately disclose in detail the actions taken over the past 2 months to resolve the issue, the current status of the issue, and the future actions needed to resolve the issue along with a timeline to complete those actions. In addition, if any new issues have arisen in the intervening period, they should also be identified and addressed.

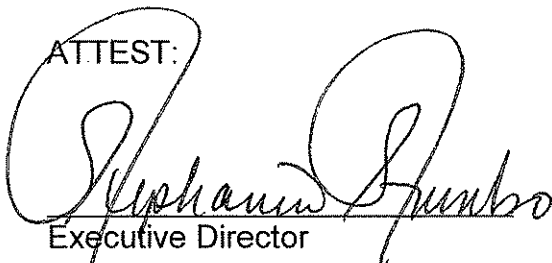
IT IS THEREFORE ORDERED that, within 7 days of the date of this Order, Joint Applicants shall file, individually or jointly, a detailed status report, as described in the findings above, on the issues of Ambac, the consent of Henderson, and any new issues.

Done at Frankfort, Kentucky, this 22nd day of August, 2008.

By the Commission

Chairman Armstrong abstains.

ATTEST:


Executive Director